

ORIGINAL

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ORIGINAL

February 7, 2000

VIA HAND DELIVERY

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
TW-A325
445 Twelfth Street, SW
Washington, DC 20554

EX PARTE OR LATE FILED

Re: Ex Parte contacts in WT Docket No. 97-207, Calling Party Pays Service
Offering in the Commercial Mobile Radio Services

Dear Secretary Salas:

In accordance with Section 1.1206(b)(2) of the Commission's Rules, 47 C.F.R. § 1.1206(b)(1) and (2), notice is hereby given of *ex parte* meetings, and two copies of a written presentation are included herein regarding the above-captioned proceeding.

On February 3, 2000, Del Moore, representing the Ad Hoc Telecommunications Users Committee ("Ad Hoc"); Christopher Peabody, representing ACUTA: the Association of Telecommunications Professionals in Higher Education; Lee Selwyn of Economics and Technology, Inc.; Kevin DiLallo of Levine, Blaszak, Block & Boothby, LLP; and the undersigned, also of Levine, Blaszak, Block & Boothby, LLP; met with Commissioner Ness; Mark Schneider, Senior Legal Advisor to Commissioner Ness; and Peter Tenhula, Legal Advisor to Commissioner Powell. On February 4, 2000, the same individuals met with Bryan Tramont, Legal Advisor to Commissioner Furchtgott-Roth; Ari Fitzgerald, Legal Advisor to Chairman Kennard; Adam Krinsky, Legal Advisor to Commissioner Tristani; Thomas J. Sugrue, Chief of the Wireless Telecommunications Bureau ("WTB"); James D. Schlichting, Deputy Chief of the WTB; Kris Monteith, Chief of the Policy Division of the WTB; Joseph Levin, Senior Economist of the Policy Division of the WTB; and Ellen Blackler, Common Carrier Bureau.

At these meetings, we reviewed the attached written presentation which summarizes the concerns of Ad Hoc and ACUTA (set forth in their Joint Comments and Joint Reply Comments) regarding the significant financial exposure created by Calling Party Pays ("CPP") services for businesses, non-profit organizations, and residences

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who are unable to block or track calls to CPP numbers. The parties proposed the adoption of a unique Service Access Code in their comments in this docket and discussed this solution in the meetings identified above. In addition, at some of the meetings, the parties briefly discussed the Bell Atlantic CPP trial in Delaware.

If you have any questions or concerns please do not hesitate to contact Suzanne Takata, Legal Assistant, at (202) 857-2550.

Respectfully submitted,



Andrew M. Brown

cc: Ari Fitzgerald (Office of Chairman Kennard)
Peter Tenhula (Office of Commissioner Powell)
Mark Schneider (Office of Commissioner Ness)
Bryan Tramont (Office of Commissioner Furchtgott-Roth)
Adam Krinsky (Office of Commissioner Tristani)
Thomas J. Sugrue (WTB)
James D. Schlichting (WTB)
Kris Monteith (WTB)
Joseph Levin (WTB)
Ellen Blacker (Common Carrier Bureau)

Unique Service Access Codes Are Essential to Establishing Subscriber Consent to Calling Party Pays Charges

Ad Hoc Telecommunications
Users Committee

&

ACUTA: The Association of
Telecommunications Professionals in Higher
Education

Ex Parte Presentation in WT Dkt. No. 97-207

February 3-4, 2000

Potential Problems with Calling Party Pays

- *Calling* party will not always be the *paying* party; subscribers will be billed for most calls made from their premises
- Annual CPP charges could reach \$7 billion
- Current blocking, tracking mechanisms may not work with CPP numbers.
- CPP could distort market forces by shifting costs to, and extracting inflated profits from, non-subscribers who can't directly affect rates

Who Will Be Affected

- **Institutional Users of Telecom Services**
 - Colleges and Universities
 - Businesses
 - Hospitals, Other Health Care Facilities
 - Hotels and Motels
 - Federal, State, and Local Governments
- **Residential Subscribers**
 - Availability of phone to anyone other than subscriber (e.g., children, teenagers, repairmen) will pose risk of unauthorized CPP charges
 - Recorded announcements will carry little weight with callers who do not have to think about the bill

Subscribers Need to Track Call Detail to Control Costs

- Those with access to PBXs include (in addition to employees) students in dormitories, hotel guests, hospital patients.
- In these cases, call rating may need to be done in real-time so that payment can be collected (e.g., by hotels).

Users Rely on NANP Conventions to Manage Telecom Usage, Costs

- The standard NANP numbering format supports a number of important usage and cost management features:
 - restricting access to certain types of calls
 - rating of individual calls for cost capture and recovery.
- The assignment of CPP numbers without unique SACs would undermine these management tools and saddle users with unwanted costs.

The Solution: A Unique CPP Service Access Code (“SAC”)

- Facilitates immediate availability of simple, cost-effective blocking, tracking of CPP calls
 - PBX owners can program existing equipment
 - LECs could offer consumers blocking option
- Minimizes costs for all parties
- Flags CPP numbers *before* callers dial
- Preserves important telecom management features of NANP

Unique CPP SACs Would Not Exacerbate Number Exhaustion

- CPP SACs would conserve—not deplete—numbering resources.
- Assignment of same SAC(s) to all CPP numbers would free numbers with geographic area codes for reuse.
- CPP SACs not tied to geographic locations, permitting broader number utilization.

Consumers' Decades-Old Billing Expectations Should be Higher Priority than Implementing LNP

- Party selecting CPP makes unilateral decision to shift billing responsibility to other parties.
- In other contexts, such fundamental alteration of billing arrangements requires change in phone number
 - Business offers its customers new toll free help-line
 - One goes into the Pay per Call information services business
- Goals of CPP's proponents to change billing structure may not be reconcilable with goals of LNP for universal number portability

The SS7 Signaling Solution for Identifying CPP Calls Is not Feasible

- Virtually no PBX now in use is capable of processing SS7 signaling.
- Almost every PBX in the US would require a major upgrade or outright replacement to support CPP signaling.
- A signaling solution would add \$5 - \$10 billion subscriber costs (to retrofit or replace PBXs), plus cost of upgrading network.

All Other CPP Countries Use Distinctive Numbering

Country	Number Ranges	Country	Number Ranges
Argentina	prefix 15	Italy	0320, 0328-0330, 0335-0339, 0347-0349, 0360, 0368
Australia	14-15, 17-19, 407-419,	Japan	70, 90
Belgium	0476-0478, 0485, 0495-0496, 075, 095-096	Mexico	044
Cyprus	091, 095-096	Netherlands	0620-0629, 0650-0655
Denmark	2, 30, 40, 50	New Zealand	21, 25, 29
Estonia	50-53, 55-56	Norway	90-99
France	0603, 0607-0618, 0660-0663, 0668, 0670, 0680-0689	Portugal	90-99
Germany	0161, 0170-0179, 0700	Spain	6
Iceland	68-69, 89	Sweden	7017-7018, 702-709, 730, 736, 738-739
Ireland	086-088	Switzerland	076-079
Israel	50-55	United Kingdom	02-09

Source: "International Dialing Codes." British Telecom Online. Access Date: 10 Sept. 99, <<http://www1.btwebworld.com/interconnect>>

Many Issues Remain Unresolved

- Who pays for set-up charges incurred if the caller chooses NOT to complete a call to a CPP subscriber?
 - Compensation of payphone owners
 - LEC and IXC charges
 - Compensation for wireless carriers for airtime used by caller when CPP call is not completed
 - Applicability of long distance and pre-paid calling card charges

Recommendations

- Adopt CPP only with a unique SAC(s) that would be assigned to all CPP numbers.

or

- Defer consideration of CPP pending development of record on availability of alternative feasible technical solutions to protect subscribers from unauthorized CPP charges

DOCUMENT OFF-LINE

This page has been substituted for one of the following:

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